

FSC-161-C

April 11, 1994

TO ALL FIELD SALES PERSONNEL

(This is being mailed to all field sales personnel from Winston-Salem)

SUBJECT: POINT-OF-SALE POLICIES

Field Sales deals with point-of-sale, both temporary and permanent, in a number of different categories. As cigarette POS is governed by Federal law, it is important that all Field Sales personnel are aware of company policies regarding development and utilization of POS. These policies must be adhered to in order for us to be in legal compliance with all POS regulations as required by Federal law.

Workplan/Promotional POS:

Only POS which has been developed and produced from RJR Headquarters should be utilized by RJR Field Sales personnel. No POS should be developed in the Field by outside suppliers, printers, or other sources including ready-made POS pieces for use by the RJR Sales Force. This applies to all POS including starbursts.

Co-Marketing POS:

Regarding our Co-Marketing Program, RJR has prepared ten (10) "special offer" POS pieces for retail use in Co-Marketing. These should serve the majority of circumstances. Other POS is also available (see FSC-126-A, 1994 Temporary POS Availability). We recommend that you always use existing available POS to support these promotions. However, if the retailer elects to utilize POS other than those pieces supplied by RJR, the retailer accepts the responsibility for any legal requirements.

To clarify, under RJR's Co-Marketing Accrual Program:

- RJR will not supply artwork, tar and nicotine numbers, warning statements or other associated materials or advice to retail accounts for the purpose of creating POS advertising/promotion materials.
- Chains/retail accounts are responsible for paying any costs relating to their own printed materials, including payments to outside agencies or print shops.
- Chain/retail-generated POS is the sole discretion and responsibility of the retailer. It is not necessary or appropriate to document via the Retailer Agreement Form.

If any chain or retail account requests special advertising in conjunction with our Co-Marketing Program, you should inform them that we are unable to support any special requests and are not in a position to provide either advice or materials other than our existing POS pieces. Should any questions arise pertaining to Co-Marketing POS, please contact M. L. Buckler, extension #1625.

Opportunistic POS:

These items are of a permanent or semi-permanent nature and are generally for chain and/or market-specific POS opportunities. Requests for opportunistic POS require the approval of the Regional Manager prior to forwarding to Winston-Salem. Approved requests may be forwarded to K. B. Hedrick (extension #2530) in Winston-Salem until 1994 budgets are depleted.

R. J. REYNOLDS TOBACCO COMPANY
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